

EXHIBIT 39

Picard v. Merkin

Jason Orchard 10-8-13

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In Re:

BERNARD L. MADOFF INVESTMENT
SECURITIES LLC,
Debtor.

Adv.Pro.No.
08-01789 (BRL)

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IRVING H. PICARD, Trustee for the
Liquidation of Bernard L. Madoff
Investment Securities LLC,
Plaintiff,

Adv.Pro.No.
09-1182 (BRL)

v.

J. EZRA MERKIN, GABRIEL CAPITAL,
L.P., ARIEL FUND LTD., ASCOT
PARTNERS, L.P., GABRIEL CAPITAL
CORPORATION,

Defendants.

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VIDEOTAPED DEPOSITION of JASON L. ORCHARD, as
reported by NANCY C. BENDISH, Certified Court
Reporter, RMR, CRR and Notary Public of the States
of New York and New Jersey, at the offices of BAKER
HOSTETLER, 45 Rockefeller Plaza, New York, New York
on Tuesday, October 8, 2013, commencing at 10 a.m.

quantitative analysis that you conducted?

A. Examining monthly returns, determining how they -- the correlation of these returns to different markets and benchmarks, what the Sharpe Ratio of the fund may be, the volatility of the fund, and examining that relative to other funds and opportunities. Those types of quantitative analysis.

Q. After you left Rutherford, what did you do next?

A. I joined Spring Mountain Capital.

Q. And what is Spring Mountain Capital?

A. Spring Mountain Capital is an alternative investment firm. At the time I joined, its primary business was investing in hedge funds and private equity funds.

Q. And are you still there today?

A. I am.

Q. Has Spring Mountain Capital's primary business changed since the time you joined?

MR. KREISSMAN: Object to form. You can answer.

A. It's evolved. We have three lines of business today: Hedge funds -- hedge fund investing, private equity investing, and municipal

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10:26:13 1 you started at Spring Mountain Capital?

10:26:17 2 A. Investment analyst.

10:26:19 3 Q. And what were your roles and
10:26:20 4 responsibilities at the time?

10:26:25 5 A. I was brought in to help perform due
10:26:31 6 diligence on hedge fund managers.

10:26:40 7 Q. Specifically what type of due
10:26:46 8 diligence were you asked to conduct on hedge fund
10:26:48 9 managers?

10:26:48 10 MR. KREISSMAN: Object to form,
10:26:50 11 vague.

10:26:52 12 A. I was asked to help perform both
10:26:57 13 qualitative and quantitative due diligence
10:27:01 14 functions.

10:27:08 15 Q. Did there come a time when your
10:27:10 16 position changed at Spring Mountain Capital?

10:27:13 17 A. Over time it has changed. I was
10:27:18 18 promoted first to an investment associate, I believe
10:27:21 19 it was. Then a principal. And today I'm the
10:27:27 20 managing -- a managing director in charge of the
10:27:30 21 hedge fund group. I also am the CFO of the firm.

10:27:43 22 Q. Do you recall when you were promoted
10:27:45 23 to investment associate?

10:27:50 24 A. 2006.

10:27:52 25 Q. And what were your responsibilities

11:39:22 1

by its customers?

11:39:23 2

MS. PRINC: Object to form.

11:39:25 3

Q. Let me rephrase.

11:39:26 4

11:39:29 5

Do you know how BLMIS was compensated
by its investment advisory customers?

11:39:36 6

A. No.

11:39:37 7

11:39:39 8

11:39:42 9

Q. Were you aware that Mr. Madoff did
not charge a management or performance fee to its
investment advisory customers?

11:39:44 10

MS. PRINC: Object to form.

11:39:45 11

A. Yes.

11:39:46 12

11:39:50 13

11:39:52 14

Q. How were you made aware of that?

A. Well, I understood that to be the
case for Ascot. Again, as my understanding.

11:39:57 15

11:39:59 16

11:40:04 17

Q. So you understood that BLMIS did not
charge Ascot a management or performance fee?

11:40:05 18

A. I understood that, yes.

11:40:06 19

11:40:09 20

Q. How did you come about that

understanding?

11:40:10 21

A. I believe Ezra mentioned that to me.

11:40:15 22

11:40:17 23

Q. Do you recall when Mr. Merkin

mentioned that to you for the first time?

11:40:20 24

11:40:23 25

A. I suppose it was in our diligence
meeting in November of 2005 with him.

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11:40:27 1 Q. Did Mr. Merkin explain to you how
11:40:31 2 Ascot compensated BLMIS?

11:40:38 3 A. The understanding was that the assets
11:40:42 4 invested within that strategy helped the market
11:40:46 5 making business, and so that was how -- why
11:40:52 6 Mr. Madoff was willing to do this.

11:41:03 7 Q. And that's something Mr. Merkin
11:41:07 8 explained to you?

11:41:10 9 A. I believe that to be the case.

11:41:16 10 Q. Do you recall the first time you met
11:41:18 11 with Mr. Merkin?

11:41:24 12 A. The first time I met with Mr. Merkin
11:41:26 13 was probably not long after I started at Spring
11:41:32 14 Mountain Capital.

11:41:34 15 Q. And what were the circumstances of
11:41:35 16 that meeting?

11:41:38 17 A. An introduction, as I had just joined
11:41:43 18 Spring Mountain Capital and I think I was with
11:41:49 19 Launny and Greg and there was no specific agenda.

11:41:55 20 Q. And where was Spring Mountain
11:41:57 21 Capital's offices at the time?

11:41:59 22 A. At that time we were at 450 Park
11:42:03 23 Avenue on the 23rd floor.

11:42:05 24 Q. And do you know if Mr. Merkin had
11:42:06 25 offices in that same building?

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11:44:53 1 MR. KREISSMAN: Object to form.

11:44:55 2 MS. PRINC: Objection.

11:44:56 3 A. No, I don't believe he had any
11:44:57 4 reviews -- or any input in any of that.

11:45:10 5 Q. Do you know whether Spring Mountain
11:45:11 6 Capital had any investments with any funds
11:45:14 7 associated with Mr. Merkin?

11:45:17 8 A. Yes.

11:45:20 9 Q. This is between 2004 and 2008.

11:45:23 10 A. Okay.

11:45:23 11 Q. What funds did Spring Mountain
11:45:26 12 Capital have investments with Mr. Merkin?

11:45:32 13 A. We had both onshore and offshore
11:45:35 14 funds, so all the four fund of fund products that
11:45:39 15 Ezra offered, Ascot LP, Ascot Limited, Gabriel and
11:45:43 16 Ariel.

11:45:51 17 Q. Which of those funds are the onshore
11:45:54 18 funds?

11:45:54 19 A. Ascot Fund LP and Gabriel.

11:45:57 20 Q. And which are the offshores?

11:46:01 21 A. Ascot Fund Limited and Ariel Fund,
11:46:04 22 Ltd.

11:46:06 23 Q. Was there any difference between the
11:46:09 24 investment strategies of Ariel and Gabriel?

11:46:14 25 MR. KREISSMAN: Object to form.

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12:06:28 1 Q. And what is it?

12:06:32 2 A. It is an email from Takahashi-san, a
12:06:39 3 member of the fund investment group at Aozora Bank,
12:06:45 4 requesting or mentioning the results of an internal
12:06:48 5 audit they had and some recommendations that were
12:06:53 6 made. And then asking for -- asking for help in
12:07:01 7 setting up a meeting with Bernie Madoff.

12:07:04 8 Q. Do you see that the date is October
12:07:05 9 30th, 2005, correct?

12:07:07 10 A. Yes.

12:07:08 11 Q. Do you know whether or not this email
12:07:11 12 predated the investment advisory agreement between
12:07:15 13 Spring Mountain Capital and the Aozora Bank?

12:07:23 14 A. This email I believe --

12:07:29 15 MR. KREISSMAN: Just tell him what
12:07:30 16 you know.

12:07:31 17 A. No, I don't remember, no.

12:07:33 18 Q. Do you know if Aozora Bank had
12:07:36 19 started a client relationship with Spring Mountain
12:07:39 20 Capital before finalizing an investment advisory
12:07:43 21 agreement?

12:07:44 22 A. Can you repeat the question?

12:07:45 23 Q. Sure. Do you know whether Aozora
12:07:48 24 Bank started a client relationship with Spring
12:07:51 25 Mountain Capital before formalizing the investment

12:15:35 1 A. He was going to speak to Mr. Merkin.

12:15:40 2 Q. And then the last page of this
12:15:41 3 document, 893 is Mr. Saitou's response. The first
12:15:48 4 line says: "Peter and Launny had a conversation
12:15:50 5 about Ascot. Maybe you have already heard the story
12:15:55 6 from Launny."

12:15:56 7 Do you have any recollection of a
12:15:59 8 conversation that Mr. Steffens had with you about
12:16:04 9 his conversation with Mr. Hagan?

12:16:07 10 MS. PRINC: Object to form.

12:16:08 11 MR. KREISSMAN: Same objection. I
12:16:09 12 assume you mean in or around the time of this email?

12:16:11 13 MR. SONG: As referenced in this
12:16:13 14 email.

12:16:13 15 MS. PRINC: Object to form.

12:16:15 16 A. I don't have any specific
12:16:16 17 recollection.

12:16:19 18 Q. Okay. Do you know whether or not
12:16:30 19 Aozora Bank ever got to -- ever had a meeting with
12:16:33 20 Mr. Madoff?

12:16:34 21 MS. PRINC: Object to form.

12:16:36 22 A. I don't believe a meeting with
12:16:37 23 Mr. Madoff ever happened.

12:16:50 24 MR. SONG: Okay. We can take a
12:16:51 25 break.

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01:31:15 1 to mind at this point.

01:31:35 2 Q. At this point in November of 2005,
01:31:37 3 what did you understand Mr. Madoff's business to be?
01:31:46 4 We had previously talked about to your understanding
01:31:48 5 it was a market maker and an investment advisor.
01:31:53 6 Did you have the same understanding in 2005?

01:31:56 7 MS. PRINC: Objection to form.

01:31:57 8 MR. BARRACK: Objection.

01:31:59 9 A. Mr. Madoff's business?

01:32:00 10 Q. Yes.

01:32:01 11 A. Yes.

01:32:07 12 Q. Do you see in the line where it says,
01:32:09 13 "For the most part, the fund trades stocks in the
01:32:12 14 S & P 100"?

01:32:14 15 A. Which paragraph? Oh, yes, I see it.

01:32:19 16 Q. Okay. What did you understand "for
01:32:22 17 the most part" to mean?

01:32:24 18 MR. KREISSMAN: Well, I object to
01:32:26 19 form. Do you mean what did he mean when he wrote
01:32:30 20 "for the most part"?

01:32:33 21 Q. Well, where did you get -- who
01:32:35 22 provided the information to you that for the most
01:32:37 23 part the fund trades stocks in the S & P 100?

01:32:42 24 MS. PRINC: Object to form.

01:32:42 25 A. I believe this report reflects my

01:32:44 1 conversation with Ezra Merkin. It was notes taken
01:32:47 2 from my conversation with him.

01:32:49 3 Q. And what did you understand
01:32:53 4 Mr. Merkin to mean by "for the most part"?

01:32:57 5 MS. PRINC: Object to form.

01:32:58 6 A. That most of the time the trades
01:33:01 7 employed would be around stocks in the S & P 100.

01:33:09 8 Q. And did Mr. Merkin explain to you
01:33:11 9 what the other times, what other investments Ascot
01:33:15 10 would be in?

01:33:16 11 MS. PRINC: Object to form.

01:33:18 12 A. No. The other times they may trade
01:33:21 13 stocks that were outside of the S & P 100, but it
01:33:24 14 was -- the focus of the fund and the strategy
01:33:26 15 because of the liquidity was on those larger stocks.

01:33:33 16 Q. In that same paragraph, sentence that
01:33:37 17 begins, "Positions are typically held for three to
01:33:39 18 six months and can be taken off in a variety of
01:33:43 19 ways." Did Mr. Merkin explain to you that Ascot's
01:33:48 20 positions were typically held for three to six
01:33:50 21 months?

01:33:54 22 MS. PRINC: Object to form.

01:33:55 23 A. He did.

01:33:55 24 Q. And did you have an understanding
01:33:57 25 that those positions were held for less than three

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01:35:21 1 MS. PRINC: Object to form.

01:35:23 2 MR. KREISSMAN: Join.

01:35:24 3 A. I believe it does.

01:35:26 4 Q. Where it says, "Cash balances are
01:35:28 5 held at Morgan Stanley and are not aggressively
01:35:31 6 managed," do you have an understanding as to what
01:35:35 7 that means?

01:35:35 8 A. I do.

01:35:36 9 Q. What does that mean?

01:35:37 10 A. When the fund is not invested, it
01:35:41 11 would be in cash and we understood that those
01:35:43 12 balances were held at a Morgan Stanley account.

01:35:49 13 Q. Did Mr. Merkin explain to you that he
01:35:51 14 would withdraw cash from BLMIS and place it in
01:35:55 15 Morgan Stanley?

01:35:57 16 MS. PRINC: Object to form.

01:35:58 17 A. It was understood or it was explained
01:35:59 18 to me that when the funds were not invested, they
01:36:05 19 were in cash at Morgan Stanley and the cash would be
01:36:08 20 held there.

01:36:22 21 Q. Over the next three pages from 01
01:36:26 22 through 03 there are four numbered paragraphs.
01:36:34 23 Number 1 is a bull spread trade; number 2 is a bear
01:36:40 24 spread trade; number 3 starts with a third strategy;
01:36:42 25 and number 4 is the fourth strategy. Do you see

01:36:45 1 those paragraphs?

01:36:47 2 A. I do.

01:36:47 3 Q. Can you tell me what those paragraphs
01:36:50 4 describe?

01:36:51 5 A. They are descriptions of trade
01:36:54 6 strategies that Merkin and Madoff would employ to
01:37:02 7 take advantage of arbitrage opportunities in the
01:37:06 8 marketplace.

01:37:07 9 Q. What is the bull spread trade?

01:37:12 10 A. It is a strategy that one employs
01:37:15 11 with a typically longer stock, longer put option and
01:37:19 12 shorter call option to take advantage of some skew
01:37:23 13 and mispricing in the marketplace, primarily around
01:37:27 14 options, while limiting your risk.

01:37:29 15 Q. And the description of the bull
01:37:31 16 spread trade as listed here, was that provided to
01:37:34 17 you by Mr. Merkin?

01:37:35 18 MS. PRINC: Object to form.

01:37:37 19 A. It was.

01:38:05 20 Q. The paragraph that starts with,
01:38:06 21 "Ultimately, although the trade is termed a bull
01:38:10 22 spread trade," do you see where the next sentence
01:38:13 23 says, "As Ezra described it, essentially Ascot is no
01:38:17 24 different than flipping a coin, but trades are
25 structured so that Ascot can be right only 25

01:38:21 1 percent of the time and still be able to break
01:38:23 2 even."

01:38:24 3 A. I see it, yes.

01:38:26 4 Q. Do you recall whether or not
01:38:28 5 Mr. Merkin provided a flipping of a coin analogy?

01:38:34 6 A. He did.

01:38:40 7 Q. And when it references, in the
01:38:54 8 sentence prior to that, when it references that,
01:38:58 9 "the fund is not establishing a position based on
01:39:00 10 the manager's market sentiment," do you understand
01:39:06 11 what market sentiment means?

01:39:09 12 A. I do.

01:39:09 13 Q. And what is that?

01:39:12 14 A. That was meant to refer to the
01:39:16 15 manager's position of whether the market would go up
01:39:18 16 or down.

01:39:31 17 Q. When references are made to the
01:39:33 18 manager in this document, who is that referring to?

01:39:35 19 MS. PRINC: Object to form.

01:39:40 20 A. It's referring to Mr. Merkin and
01:39:44 21 ultimately the guidelines he established for
01:39:49 22 Mr. Madoff.

01:39:56 23 Q. Did Mr. Merkin indicate how often he
01:39:58 24 put on a bull spread trade for Ascot?

01:40:01 25 MS. PRINC: Object to form.

01:40:03 1 MR. KREISSMAN: Again, at this
01:40:04 2 meeting you're asking about?

01:40:06 3 MR. SONG: At this meeting.

01:40:11 4 A. He didn't specifically say how often
01:40:13 5 that trade was employed, but it was implied that
01:40:16 6 that trade was the most commonly used trade of the
01:40:23 7 four strategies he described.

01:40:31 8 Q. And the second trade strategy, the
01:40:34 9 bear spread trade, could you explain what that means
01:40:37 10 in this context.

01:40:39 11 A. It's a trade that's constructed in
01:40:42 12 the exact opposite fashion as the bull spread trade
01:40:45 13 and it's meant to take advantage of mispricings when
01:40:50 14 the market oversells or panics.

01:40:53 15 Q. And did Mr. Merkin indicate to you
01:40:55 16 that Ascot had used bear spread trades in the past?

01:41:01 17 MS. PRINC: Object to form.

01:41:03 18 A. He suggested that they had.

01:41:04 19 Q. Did Mr. Merkin provide any specific
01:41:05 20 examples of the times that he used a bear spread
01:41:10 21 trade?

01:41:11 22 A. Did not give examples of the times he
01:41:14 23 used it, no.

01:41:20 24 Q. And the third strategy that's
01:41:27 25 mentioned here in paragraph number 3, can you

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01:47:49 1 you can clarify for the witness.

01:47:50 2 MR. SONG: Well, I'm correcting my
01:47:51 3 earlier question between Merkin and BLMIS.

01:47:54 4 Q. I'm saying the fund. Whether the
01:47:55 5 fund had a trading directive with BLMIS.

01:47:58 6 A. Yes, I understood that the fund had a
01:48:00 7 trading directive with BLMIS.

01:48:02 8 Q. Did you ever see the trading
01:48:03 9 directive between Ascot and BLMIS?

01:48:05 10 A. No.

01:48:05 11 Q. Did you ever ask to review it?

01:48:07 12 A. No.

01:48:11 13 Q. Did Mr. Merkin ever tell you that he
01:48:15 14 told Mr. Madoff when to be invested?

01:48:18 15 MS. PRINC: Object to form.

01:48:23 16 A. No. Mr. Merkin told us that he
01:48:29 17 established guidelines in which Mr. Madoff could
01:48:33 18 then -- could then invest, as long as the
01:48:39 19 opportunities fell within those guidelines or
01:48:41 20 parameters.

01:48:42 21 Q. But you don't have an
01:48:44 22 understanding -- strike that.

01:48:46 23 Do you know what those guidelines
01:48:47 24 were as far as when to invest in the market?

01:48:51 25 A. Specifically, no.

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01:50:51 1 Q. Did Mr. Merkin ever explain to you
01:50:53 2 why Mr. Madoff was better at executing trades?

01:50:58 3 MS. PRINC: Object to form.

01:51:06 4 A. He suggested that because he was --
01:51:08 5 Mr. Madoff was trading options regularly, he had
01:51:14 6 better execution in saleabilities.

01:51:24 7 Q. The next line says: "In executing
01:51:27 8 any one particular trade, the fund has a 12-minute
01:51:30 9 rule --" I'm sorry, 12 m-i-n, which I understand is
01:51:33 10 minute, "in which Ezra or Bernie have to establish
01:51:36 11 all three legs of the typical trade within 12
01:51:39 12 minutes, otherwise the trade legs established are
01:51:43 13 sold."

01:51:44 14 Is that information something you got
01:51:46 15 from Mr. Merkin?

01:51:48 16 A. It is.

01:51:48 17 Q. And did Mr. Merkin elaborate on why
01:51:53 18 he established a 12-minute rule?

01:51:56 19 MS. PRINC: Object to form.

01:51:58 20 A. The trades were generally meant to be
01:52:00 21 as low risk as possible. By establishing all three
01:52:06 22 legs, you've essentially created an arbitrage
01:52:12 23 position without taking much risk or having a
01:52:15 24 defined risk level. If you're unable to execute one
01:52:18 25 particular part of the leg, you have exposure, which

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01:52:25 1 could ultimately put your position at risk to go
01:52:29 2 outside of those risk parameters you've established.

01:52:32 3 So, if the position was not able to
01:52:34 4 be fully constructed within 12 minutes, it was
01:52:39 5 understood or explained to me that the trade -- the
01:52:44 6 legs of the trade that were put on were unwound to
01:52:47 7 reduce risk potential.

01:52:50 8 Q. Was this one of the parameters or
01:52:52 9 guidelines that Mr. Merkin gave to Mr. Madoff?

01:52:57 10 MS. PRINC: Object to form.

01:53:00 11 A. It wasn't specifically explained to
01:53:02 12 me that way, but it was a parameter that was
01:53:05 13 explained to me that the fund had established or a
01:53:09 14 guideline that was established by the fund.

01:53:20 15 Q. Under the Return Comments and Outlook
01:53:25 16 section, first sentence says: "Ezra told us that
01:53:27 17 the Ascot strategy has always benchmarked and
01:53:30 18 attempted to achieve a return greater than twice the
01:53:33 19 30-year Treasury."

01:53:36 20 Do you know why Mr. Merkin is using
01:53:38 21 the 30-year Treasury as a benchmark?

01:53:41 22 MS. PRINC: Object to form.

01:53:42 23 MR. KREISSMAN: Object to form, calls
01:53:44 24 for speculation.

01:53:46 25 A. I don't know why.

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01:54:00 1 Q. Next paragraph starts with, "Ezra did
01:54:02 2 say that he believes the Ascot strategy will stop
01:54:05 3 working one day."

01:54:07 4 Do you have -- do you recall
01:54:09 5 conversation with Mr. Merkin regarding Ascot -- the
01:54:12 6 Ascot strategy stopping working one day?

01:54:15 7 A. Yes.

01:54:16 8 Q. And what did Mr. Merkin tell you?

01:54:19 9 A. As with most arbitrage strategies,
01:54:24 10 they're generally -- a true arbitrage strategy is a
01:54:28 11 strategy in which risk is limited or where there's
01:54:30 12 very little risk at all. As more and more capital
01:54:35 13 is employed to exploit that arbitrage, it eventually
01:54:40 14 goes away.

01:54:43 15 Q. And did Mr. Merkin have a time
01:54:47 16 horizon in mind for which Ascot might stop working?

01:54:50 17 MR. KREISSMAN: Objection to form.

01:54:51 18 MS. PRINC: Objection.

01:54:52 19 MR. KREISSMAN: Calls for
01:54:55 20 speculation.

01:54:56 21 A. I don't recall.

01:55:13 22 Q. In that same paragraph where it says,
01:55:15 23 "The manager will either have to conceive of new
01:55:18 24 trading strategies or wind down as investment
01:55:21 25 opportunities become rarer and returns retreat to

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02:04:21 1 Q. Did you have any concerns regarding
02:04:24 2 the -- regarding BLMIS self-clearing?

02:04:28 3 MR. KREISSMAN: At what time frame?

02:04:30 4 MR. SONG: Between 2004 and 2008.

02:04:35 5 A. It was, no. No, it wasn't a concern.

02:04:43 6 Q. Next sentence says, or two sentences
02:04:46 7 down says: "We know that they are audited."

02:04:49 8 Do you remember having any
02:04:51 9 discussions with anyone at Aozora Bank regarding the
02:04:53 10 auditors for BLMIS?

02:04:55 11 MS. PRINC: Object to form.

02:04:56 12 A. No.

02:05:15 13 Q. Back on 305, you forwarded this email
02:05:18 14 to Mr. Merkin on November 30th, 2005; is that
02:05:22 15 correct?

02:05:22 16 A. Correct.

02:05:23 17 Q. Why did you forward it to Mr. Merkin?

02:05:28 18 A. Because I -- the bank wanted to --
02:05:34 19 had further follow-up questions and Launny and Greg
02:05:38 20 were traveling and so it was discussed that I would
02:05:42 21 just forward this to Ezra to let them -- to give
02:05:44 22 them a preview of what those questions or follow-ups
02:05:49 23 may be.

02:05:49 24 Q. And did Mr. Merkin ever reply to you?

02:05:52 25 A. I don't recall that he did.

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02:05:52 1 Q. Do you recall having any
02:05:54 2 conversations with Mr. Merkin regarding following
02:05:58 3 this email with regards to setting up a due
02:06:01 4 diligence meeting with Mr. Madoff?

02:06:04 5 MS. PRINC: Object to form.

02:06:05 6 A. I don't recall having a conversation
02:06:06 7 with Mr. Merkin, no.

02:06:07 8 Q. Do you know why Aozora Bank --
02:06:10 9 withdrawn.

02:06:11 10 Did Aozora Bank ever get a due
02:06:14 11 diligence meeting with Mr. Madoff?

02:06:16 12 MS. PRINC: Object to form.

02:06:17 13 A. No.

02:06:18 14 Q. Do you know why they never got that
02:06:19 15 meeting?

02:06:19 16 MR. KREISSMAN: Object to form, calls
02:06:21 17 for speculation.

02:06:22 18 A. I don't know specifically, no.

02:06:24 19 Q. Do you know why generally?

02:06:26 20 A. No, I don't know why.

02:06:31 21 Q. Did you have any conversations with
02:06:33 22 Mr. Ho or Mr. Steffens regarding a due diligence
02:06:39 23 meeting Aozora Bank requested after November 30th,
02:06:43 24 2005?

02:06:44 25 A. Yes.

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03:47:07 1 Do you see that?

03:47:08 2 A. I do.

03:47:09 3 Q. Were you previously aware that
03:47:10 4 Mr. Autera had told representatives of Aozora that
03:47:13 5 Ariel had accounts with Madoff?

03:47:18 6 A. No.

03:47:20 7 MS. PRINC: Okay. Thank you. I have
03:47:22 8 no further questions.

03:47:23 9 MR. SONG: Nothing.

03:47:23 10 MR. KREISSMAN: Nothing from us. We
03:47:25 11 are concluded -- anyone else? Last chance.

03:47:28 12 We are concluded. Thank you
03:47:29 13 everybody.

03:47:30 14 THE VIDEOGRAPHER: Off at 3:47.

15 (Deposition concluded.)

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